

Message Text

PAGE 01 STATE 127205

21
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

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NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 XMB-02

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TREASURY:JWALLAR

EB/EWT:MLORIMER(INFO)

EUR/EE:ABRAINARD(SUBS)

COMMERCE/BEWT/EE:LLEWINS

EB/OT/STA:WCLARK,JR.

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TO AMEMBASSY WARSAW

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E.O. 11652: N/A

TAGS:ETRD, PL

SUBJECT: WORKING GROUP MEETING -- ANTIDUMPING

1. SUMMARY: ON MAY 28 MEETING OF AD HOC WORKING GROUP OF JOINT AMERICAN-POLISH TRADE COMMISSION HELD TO DISCUSS IMPLICATIONS OF ANTIDUMPING PROCEEDING AGAINST IMPORTS OF POLISH GOLF CARS FOR POLISH/U.S. TRADE. MEETING CONDUCTED IN VERY CORDIAL AND INFORMAL ATMOSPHERE WITH EXCHANGES ON A VARIETY OF TECHNICAL ISSUES. POLES SUMMARIZED CONCERNS OVER U.S. ANTIDUMPING PROCEEDINGS, AND U.S. DELEGATION
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PAGE 02 STATE 127205

EXPLAINED INTENT OF U.S. LAW AND ITS ADMINISTRATION, INCLUDING APPLICATION TO GOLF CAR CASE. ANALYSIS OF POSSIBLE EFFECTS OF ANY ANTIDUMPING FINDING IN GOLF CAR CASE WAS MADE. WORKING GROUP AGREED TO SUBMIT REPORT TO

JOINT COMMISSION IN FALL. END SUMMARY.

2. POLISH DELEGATION LED BY RYSZARD STRZELECKI OF MINISTRY OF FOREIGN TRADE AND INCLUDED MIROSLAW RUCINSKI, ANDRZEJ DZIEKONSKI, ALSO OF FOREIGN TRADE MINISTRY, STANISLAW FERENSTEIN OF PEZETEL, AND REPRESENTATIVES OF POLISH EMBASSY. U.S. DELEGATION CHAIRED BY COMMERCE DEPUTY ASSISTANT SECRETARY DOWNEY AND INCLUDED TREASURY DEPUTY ASSISTANT SECRETARY FOR TARIFF AFFAIRS PETER SUCHMAN, CARL W. SCHMIDT, DIRECTOR, OFFICE OF TRADE, EB AND OFFICIALS FROM

COMMERCE, STATE, TREASURY AND CIEP.

3. DOWNEY OPENED MEETING BY WELCOMING POLISH REPRESENTATIVES, SUGGESTING THAT JOINT COMMISSION PROPER FRAMEWORK FOR DISCUSSION OF TRADE ISSUES. HE EMPHASIZED THAT GOLF CAR CASE MUST REMAIN INSULATED FROM PROCEEDINGS BUT SAID THAT TREASURY SECRETARY SIMON HAD AGREED TO REVIEW CASE.

4. STRZELECKI THEN OUTLINED POLISH CONCERN AS A RESULT OF GOLF CAR CASE: UNDER U.S. PROCEDURES POLISH PRODUCER ACCUSED OF DUMPING COULD NOT BENEFIT FROM REAL LOWER COSTS; POLISH PRODUCERS WOULD HAVE DIFFICULTY DETERMINING "FAIR VALUE" IN ADVANCE; POLISH MANUFACTURERS MAKING A SUBSTANTIAL INVESTMENT BUT ARE CONCERNED ABOUT FUTURE EXPORT PROSPECTS. HE SAID THAT POLISH COSTS WERE LOW BECAUSE MATERIALS AND LABOR CHEAP, EQUIPMENT MODERN AND METHODS EFFICIENT. HE URGED THAT A WAY BE FOUND TO ADMINISTER U.S. LAW WHILE ALLOWING TRADE TO GROW.

5. SUCHMAN FOLLOWED WITH REVIEW OF U.S. ANTIDUMPING LAW AND PROCEDURES, STRESSING THAT LAW NOT A TOOL TO INHIBIT IMPORTS FROM STATE-CONTROLLED ECONOMIES. HE EMPHASIZED THAT USG DID NOT INITIATE ACTION BUT INVESTIGATION ONLY OPENED AFTER COMPLAINT BY U.S. PRODUCER, AND THAT TREASURY ACTIONS SUBJECT TO APPEAL TO U.S. COURTS.

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PAGE 03 STATE 127205

HE NOTED THAT IN CASES WHERE DUMPING FINDINGS ARE MADE, ANTIDUMPING ASSESSMENT IS ON ENTRY-BY-ENTRY BASIS. THEREFORE, EXPORTERS CAN RAISE PRICES ON NEW SHIPMENTS RATHER THAN ALLOW U.S. TREASURY TO COLLECT DUTIES. HE SUGGESTED THAT IN FUTURE POLES MIGHT WISH TO SUBMIT INFORMATION REGARDING EXPORT PRICES, PRICES OF SIMILAR MERCHANDISE IN THIRD COUNTRY MARKET AND OTHER TECHNICAL DATA REQUIRED IN ANTIDUMPING PROCEEDINGS, AND OBTAIN ADVISORY OPINION FROM CUSTOMS AS TO WHETHER PROPOSED EXPORT PRICES TO U.S. FOR POLISH GOODS WOULD BE LESS THAN "FAIR VALUE". SUCHMAN STRESSED THAT SUCH AN OPINION WOULD NOT BE BINDING, HOWEVER. HE SAID THAT U.S. PROCEDURES DID NOT ELIMINATE

POSSIBILITY OF POLES BEING LOWEST COST PRODUCER.

6. IN RESPONSE TO INQUIRY FROM RUCINSKI ON WHETHER U.S. LAW ALLOWED DETERMINATION OF FAIR VALUE THROUGH EITHER HOME MARKET OR THIRD MARKET PRICE COMPARISONS, SUCHMAN SAID U.S. LAW DOES NOT PRECLUDE USE OF HOME MARKET PRICES BUT THAT TO DATE THIRD COUNTRY COMPARISONS HAD BEEN USED IN ALL CONTROLLED ECONOMY CASES. HE AGREED TO TAKE UNDER ADVISEMENT POLISH POINT OF VIEW THAT IN SOME CASES HOME MARKET PRICES COULD BE USED, BUT ADDED THIS APPROACH REQUIRED DATA VERIFICATION IN POLAND. DOWNEY SAID POLES

MIGHT WISH TO ADVISE US WHETHER SUCH VERIFICATION WOULD BE POSSIBLE.

7. SUCHMAN ALSO EXPLAINED PROCEDURES FOR CALCULATING DUTIES SHOULD A DUMPING FINDING BE MADE, NOTING THAT A DUMPING FINDING COULD STILL ALLOW POLISH GOLF CARS TO BE COMPETITIVE IN THE U.S. MARKET. HE ALSO EXPLAINED THAT IF NO "SALES AT LESS THAN FAIR VALUE" OCCURRED DURING A PERIOD OF TWO YEARS, A REQUEST TO REVOKE ANY DUMPING FINDING COULD BE SUBMITTED. FINALLY IN GOLF CAR CASE, HE AGREED THAT POLES SHOULD CONTINUE TO SUBMIT ANY DATA THEY CONSIDER RELEVANT.

8. IN CONCLUSION IT WAS AGREED THAT BOTH DELEGATIONS WOULD PREPARE SUMMARIES OF MEETING WHICH WOULD BE CIRCULATED PRIOR TO FALL SESSION OF JOINT COMMISSION. REPORT WOULD THEN BE MADE TO JOINT COMMISSION.
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PAGE 04 STATE 127205

9. ATMOSPHERE VERY CORDIAL. POLES CONSIDERED THAT THEY RECEIVED FULL AND SYMPATHETIC HEARING AND SEEMED TO BE REASSURED OF HAVING BEEN ACCORDED FAIR TREATMENT IN DUMPING INQUIRY. INGERSOLL

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